STANDARD FORM NO. 64

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Office Memorandum • UNITED STATES GOVERNMENT

TO : Chief of Logistics **DATE:** 27 January 1955

FROM : Chief, Procurement Division

SUBJECT: Weekly Activity Report

1. GENERAL

a. Status of DP Contracts Obligated under Fiscal Year 1952 Funds: (continued item)

(1) Awaiting Industrial Contract Audit Branch Report

25X1A [redacted]

25X1A Meeting held 29 October with the contractor regarding audit of the subcontractor, [redacted]. Contractor was to advise by letter when audit can be made. On 8 December the contractor indicated by phone that the person handling the books had had a heart attack and that there would be a delay of some two or three weeks before scheduling of the audit. Audit scheduled for 24 January 1955. Audit not performed as contractor by letter of 17 January 1955 said his CPA would have Balance Sheet only and was authorized to discuss the case in general. Pending determination as to further action.

(2) Settlement Letter Prepared - Being Reviewed

25X1A [redacted]

(3) Settlement Letter to Contractor

25X1A [redacted]

Contractor's letter dated 30 September 1954 requested clarification of certain disallowed costs prior to executing settlement. Contractor's letter was forwarded to ICAB on 8 October 1954. Upon receipt of reply, further information regarding capital equipment account and method used for depreciation was requested from the contractor in accordance with ICAB memorandum. This letter was mailed to the contractor on 24 November 1954. Contractor contemplates reply will be made on 21 January 1955.

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(4) Settlement Agreement to Contractor

25X1A [redacted]

25X1A * There is still pending determination of amount of royalty to be paid, but this must be accomplished by appropriate action of the [redacted]

b. Review of 1953 Orders (new and continued):

The total number of FY 1953 orders outstanding has been reduced to 29. Concentrated effort is being made to complete these at the earliest practicable date.

c. Procurement of Camera Equipment (new and completed):

25X1A [redacted]

25X1A d. Briefing of Representative of the Audit Office (New and completed):

Last week [redacted] of the Audit Office was briefed in the operating procedures of the General Purchase Section.

25X1C [redacted]

2. OTHER ITEMS OF INTEREST

25X1C a. [redacted] (continued):

Inquiry into the shipment of these items disclosed that the

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manufacturer had not shipped on the scheduled date. The manufacturer had been requested to hold shipment in abeyance pending receipt of instructions based upon information received from [redacted] of the Transportation Division.

25X1A

b. Briefing (new and completed):

25X1A

[redacted] Administrative Officer, SR Division was briefed on 19 Jan. as to the functions and operations of the Special Purchase Branch.

c. Audit - General (new and completed):

25X1A

[redacted] the Audit Office visited the Special Purchase Branch and conducted a preliminary audit of its operations. He indicated that as additional questions arise inquiry will be made into the property accountability aspects of the Special Purchase Branch.

d. Special Containers for Classified Trash (continued):

Awaiting reply from Assistant Chief, Operations, LO to memorandum dated 20 January for further policy decision regarding procurement action.

e. Procurement Review Committee (continued):

This Committee held one meeting on 20 January. The Committee reviewed a total of six old cases and was able to resolve five of them. The remaining case has been tabled for review upon receipt of additional information.

25X1A

[redacted]

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